Profit of crude oil refineries

†259. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the crude oil refineries in the public sector are earning a profit of $77 per barrel;

(b)if not, what are the details in this regard; and

(c)to what extent the dividend so far during the current year is more as compared to the one in the years 2005-06 and 2006-07 respectively?

THE"MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) A Statement on Gross Refining Margins (GRMs) reflecting the earnings by Public Sector Refineries by way of crude processing during 2005-06, 2006-07 and first half of year 2007-08 (April to September, 2007) is enclosed. [Refer to the Statement Appended to the answer to USQ 258 Part (a) and (b)]

GRM vary from refinery to refinery and from period to period mainly on account of the following:

i. Plant configurations and the type of crude processed;

ii Spread between international crude and product prices;

iii. Operating parameters such as higher thruput, better distillate yield and lower fuel and toss.

Increase in foreign capital investment in petroleum sector

†260. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering the proposal for increasing the quantum of foreign capital investment in the industries of petroleum sector;

(b)if so, the detailed information of the said proposal; and

(c)the reason for which it is considered necessary to increase the percentage of foreign investment in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Foreign Direct Investment (FDI) Policy including policy for Petroleum and Natural Gas Sector, is reviewed on a continuous basis. At present, in tcnns of Press Note No. 4 (2006) Series dated 10.02.2006 of Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, for the Petroleum Sector, Foreign Direct Investment (FDI) Vp to hundred per cent for all activities other than refining and including market study and formulation, investment/financing, setting up infrastructure for marketing in Petroleum and Natural Gas Sector is permissible through automatic route, subject to sectoral regulations. For the refining Sector, FDI up to 26% in case of Public Sector Undertakings is permissible through Foreign Investment Promotion Board. However, FDI up to hundred per cent in the refining sector is permitted through the automatic route in case of private comapnies,

†Original notice of the question was received in Hindi.